

AMENDED IN ASSEMBLY JUNE 19, 2006

AMENDED IN SENATE APRIL 20, 2005

SENATE BILL

No. 470

Introduced by Senator Ducheny

February 18, 2005

An act to ~~repeal Sections 38203.5 and 38907~~ *amend Section 2188.5* of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 470, as amended, Ducheny. Property taxation: ~~timber yield tax~~ *planned developments*.

Existing property tax law provides the manner in which the value of real property that has been divided into planned developments, as defined, is determined.

This bill would repeal an obsolete cross-reference from this provision and would also make technical, nonsubstantive changes to the provision.

~~The Timber Yield Tax Law, for the 1977-78 fiscal year and each fiscal year thereafter, imposes a tax on every timber owner with respect to the harvesting of timber or felled or downed timber at specified rates. The Timber Yield Tax Law disallows, subject to certain exceptions, any adjustment of yield tax rates for the years 1979, 1980, or 1981 to reflect any portion of the property tax rate levied on the unsecured roll for the 1978-79 tax year, as provided, and requires that the Controller certify for a specified period the amount necessary to restore the deficient allocations, plus the amount necessary to bring the Timber Tax Reserve Fund to \$5,000,000. The specific provisions of that law providing for the restoration of any~~

deficient allocations for the Timber Tax Reserve Fund however, were previously repealed.

~~This bill would delete these obsolete provisions relating to the adjustment of yield tax rates for 1979, 1980, and 1981, and the certification by the Controller of the amount necessary to restore certain deficient allocations.~~

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 2188.5 of the Revenue and Taxation
2 Code is amended to read:
3 2188.5. (a) (1) Subject to the limitations set forth in
4 subdivision (b), whenever real property has been divided into
5 planned developments as defined in ~~Sections~~ Section 11003 and
6 ~~11003.1~~ of the Business and Professions Code, the interests
7 therein shall be presumed to be the value of each separately
8 owned lot, parcel or area, and the assessment shall reflect this
9 value which includes all of the following:
10 ~~(1)–~~
11 (A) The assessment attributable to the value of the separately
12 owned lot, parcel or area and the improvements thereon.
13 ~~(2)–~~
14 (B) The assessment attributable to the share in the common
15 area reserved as an appurtenance of the separately owned lot,
16 parcel or area.
17 ~~(3)–~~
18 (C) The new base year value of the common area resulting
19 from any change in ownership pursuant to Chapter 2
20 (commencing with Section 60) or new construction pursuant to
21 Chapter 3 (commencing with Section 70) attributable to the share
22 in the common area reserved as an appurtenance of the separately
23 owned lot, parcel, or area.
24 ~~For~~
25 (2) For the purposes of this section, “common area” shall
26 mean the land and improvements within a lot, parcel or area, the
27 beneficial use and enjoyment of which is reserved in whole or in
28 part as an appurtenance to the separately owned lots, parcels or
29 areas, whether this common area is held in common or through

1 ownership of shares of stock or membership in an owners'
2 association ~~as defined in Section 11003.1 of the Business and~~
3 ~~Professions Code~~. The tax on each separately owned lot, parcel
4 or area shall constitute a lien solely thereon and upon the
5 proportionate interest in the common area appurtenant thereto.

6 (b) Assessment in accordance with ~~the provisions of~~
7 subdivision (a) shall only be required with respect to those
8 planned developments ~~which~~ *that* satisfy both of the following
9 conditions:

10 (1) The development is located entirely within a single tax
11 code area.

12 (2) The entire beneficial ownership of the common area is
13 reserved as an appurtenance to the separately owned lots, parcels
14 or areas.

15 (c) The amendment to subdivision (b) made by ~~the act adding~~
16 ~~this subdivision~~ *Chapter 407 of the Statutes of 1984* shall apply
17 to real property ~~which~~ *that* has been divided into planned
18 developments, as defined in ~~Sections~~ *Section 11003 and 11003.1*
19 of the Business and Professions Code, on and after the effective
20 date of ~~the act adding this subdivision~~ *Chapter 407 of the*
21 *Statutes of 1984*.

22 ~~SECTION 1. Section 38203.5 of the Revenue and Taxation~~
23 ~~Code is repealed.~~

24 ~~SEC. 2. Section 38907 of the Revenue and Taxation Code is~~
25 ~~repealed.~~